

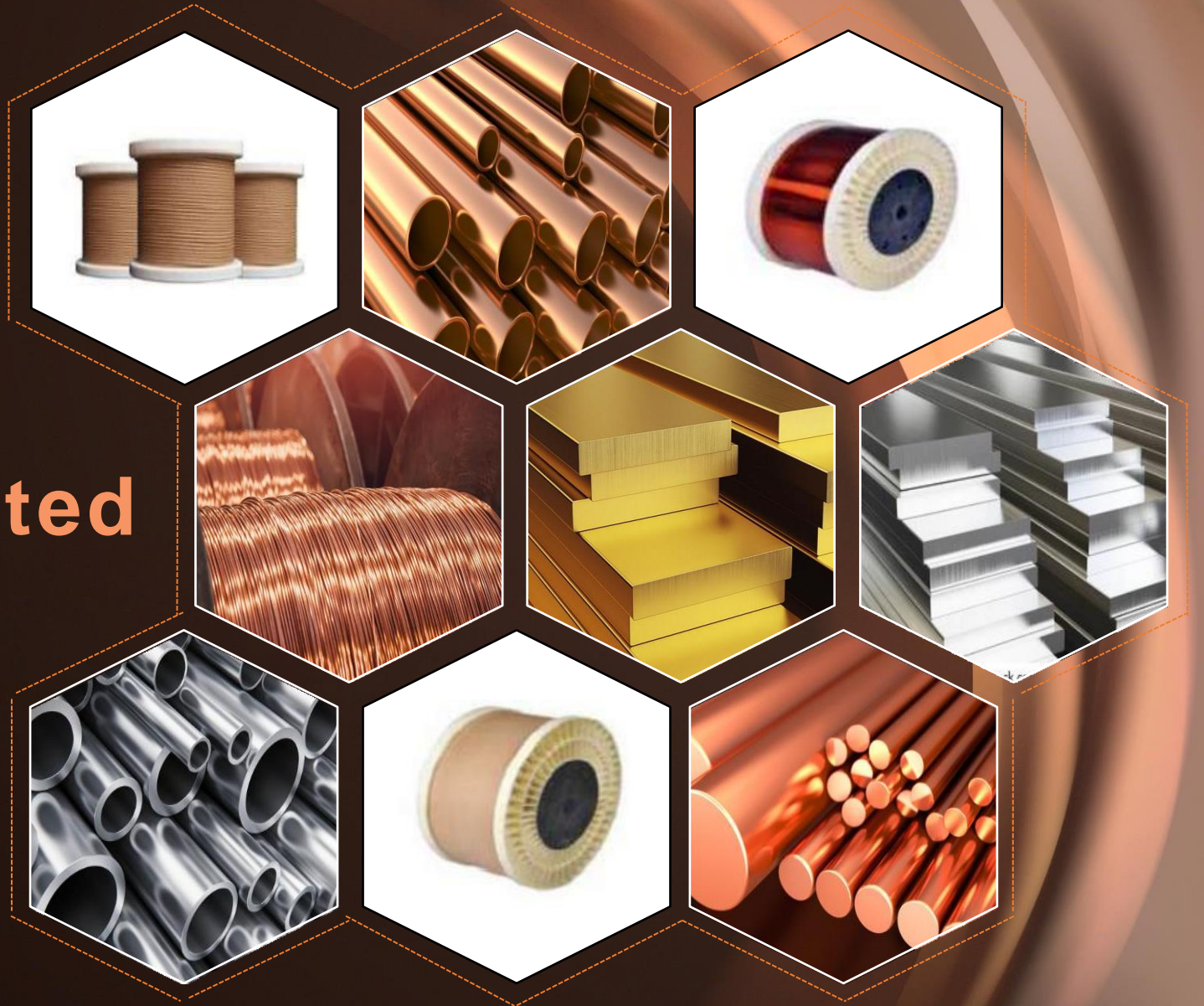


SHERA

Shera Energy Limited

Investor Presentation

August - 2023



WHERE POWER *Empowers* THE INNOVATION

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SHERA

1

About Us

About Shera Energy Limited

- Shera Energy Ltd, incorporated in 2009, is in the business of manufacturing winding wires and strips made of non-ferrous metals primarily Copper and Aluminium.
- Product range of company includes paper covered wires, enamel and fibre covered wires, round wires, rectangular wires, bunched wires, tubes, rods, strips, etc. These products are mainly used in transformers, motors and electrical panels.
- To focus on business growth, the company has done backward and forward integration by investing in 3 subsidiary companies namely Rajputana Industries Limited, Shera Metal Private Limited and Shera Infrapower Private Limited to add value-added products in the portfolio.
- Company is ISO Certified and having vendor approval validation from prestigious organisation such as Power Grid Corporation of India.
- For FY23, the Company has reported turnover of Rs 6,977.5 Mn, up 33% YoY and net profit of Rs 91.1 Mn, up 37.6% YoY.



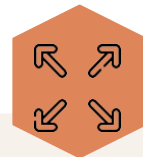
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Key Facts & Figures



19+ years
of
Excellence



Consolidated
Installed Capacity
34,730 MT



2 Manufacturing
Plants of Company
&
2 Manufacturing
Plants of Subsidiaries



Manufacturing
facilities Spread
Across **8,00,000**
Sq. Ft.



350+
Employees



Export in **15+**
countries



Certifications
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018



FY23
₹ 6,977.5 Mn Revenue
₹ 399.9 Mn EBITDA
₹ 91.2 Mn PAT

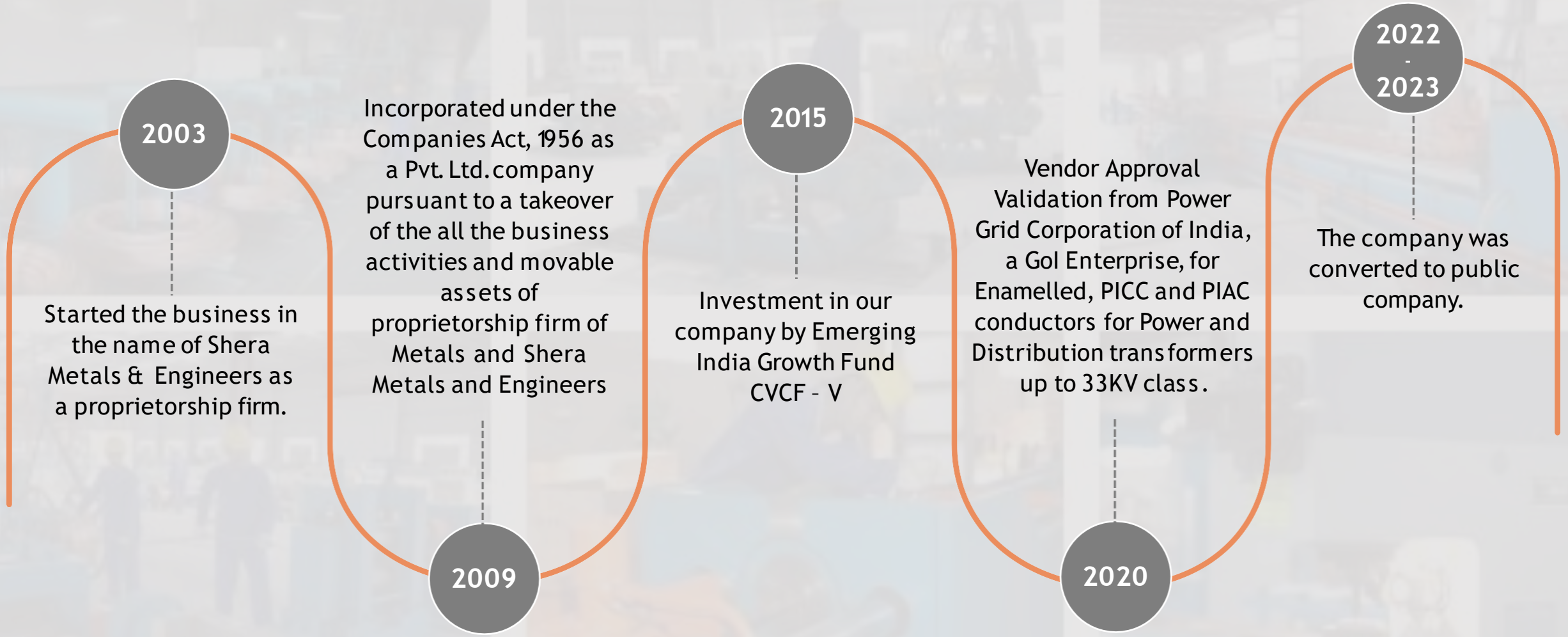


FY23
10.23% ROE
22.42% ROCE



3 Years CAGR
Revenue - **17.9%**
EBITDA - **10.0%**
PAT - **36.2%**

Our Journey



Board Of Directors



SHEIKH NASEEM
(Chairman & Managing Director)

EDUCATION:
Bachelor's of Engineering (Hons.), Electrical

- Sheikh Naseem having experience of 23 years in various sectors has incorporated transformer company in the name of “Shivani Electricals” and then entered into wire industry by incorporating Shera Metals and Engineers and then Shera Energy Ltd.
- Mr. Sheikh has been instrumental for innovation in electrical wire industry and non-ferrous metal and alloy metal industry.
- He looks after business strategies and business growth of Shera Energy Ltd.
- He has directorship of Isha Infrapower Pvt Ltd., Shera Infrapower Pvt Ltd., Shera Metal Pvt Ltd., Rajputana Industries Ltd.



SHIVANI SHEIKH
(Wholetime Director)

EDUCATION:
Bachelor's of Engineering, Electrical

- Shivani Sheikh having experience of over 23 years across various sectors including metal industry has started partnership firm Shivani Electricals.
- She has also established proprietorship firm with the name of M/s S.S. Structure.
- Mrs. Shivani Sheikh looks after operations of Shera Energy Ltd. Her professional attitude has led her Company Shera Energy Limited to climb the ladders of success in no time.
- She acts as a link between employees and management of the Company.
- She has directorship of Isha Infrapower Pvt Ltd., Shera Infrapower Pvt Ltd., and Rajputana Industries Ltd.

Board Of Directors



Mr. Piyush Sharma Non-Executive Director



EDUCATION

Management in Business Administration

- He has been associated with the Company since 2013 and has experience of over 10 years in the field of marketing and sales
- He is also a Director in Shera Metal Pvt Ltd.

Mr. Vineet Gupta Independent Director



EDUCATION

Mechanical Engineering Graduate

- He worked as Shift Engineer in Tool Department in National Engineering Industries and HOD of Kahaitan Polytechnic College, Jaipur.
- He is also Director of Apoorv Infracon India Private Limited.

Mr. Arpit Kumar Dotasra Independent Director



EDUCATION

Gold Medalist in B.A. L.L.B.

- He has experience of 4 years and associated with the Company as Independent Director.

Board Of Directors



Mr. Vekas Kumar Garg Independent Director



EDUCATION

MCOM and Company Secretary

- He is a practicing Company Secretary and a register valuer and an insolvency professional with Insolvency and Bankruptcy Board of India.
- He is also Director of Value Plus Insolvency Resolution Professionals Private Limited and Girish Foundation.

Mr. Kuldeep Kumar Gupta Independent Director



EDUCATION

BCOM, Chartered Accountant, DISA, ICWAI

- He has the certificate of Professional Membership from Indian Institute of Insolvency Professionals.
- Also directorship of RMC Switchgears Limited, Eternity Pharmacy Private Limited, K.K.G. Securities Pvt Ltd and Times Advisors Private Limited.



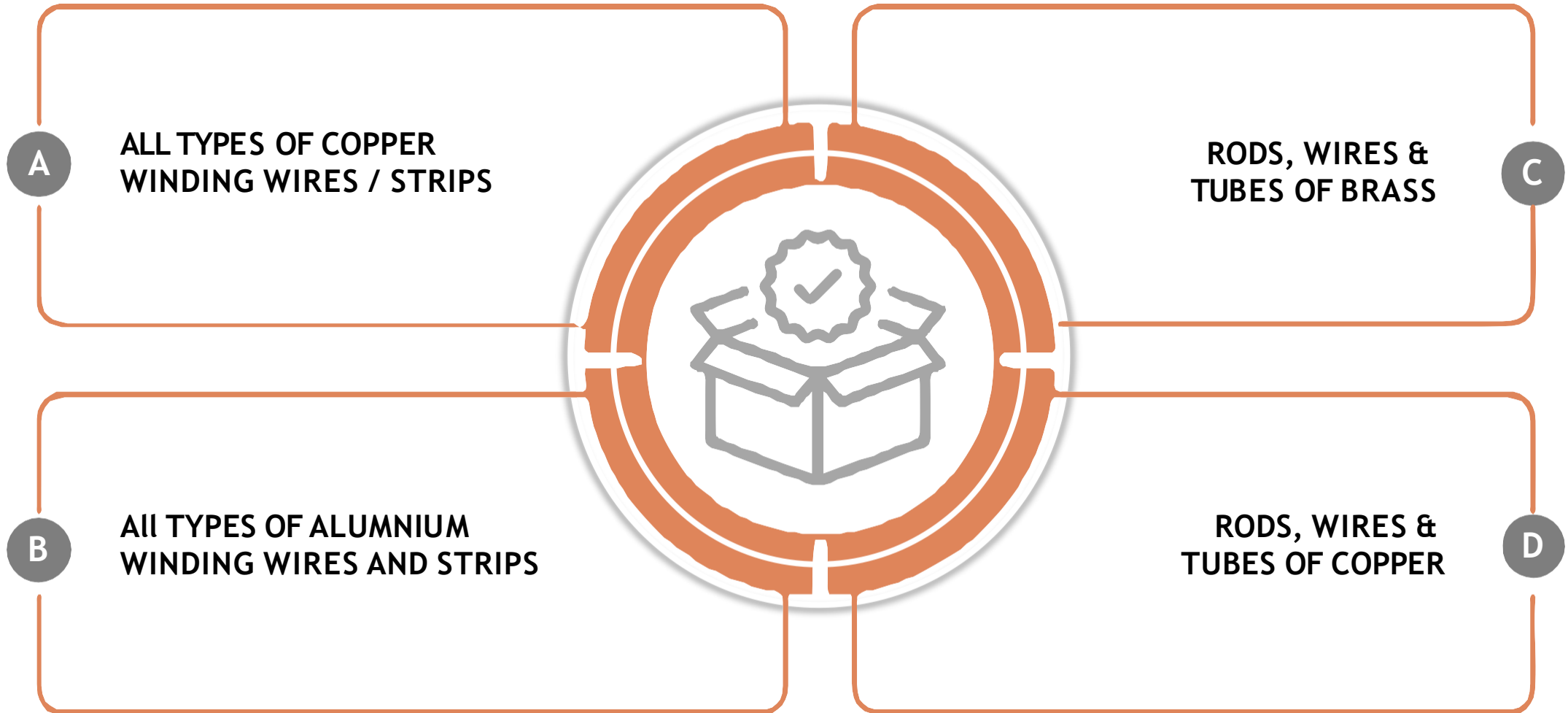
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Business Overview



Products Portfolio



Products Portfolio



SHERA

(A) ALL TYPES OF COPPER WINDING WIRES / STRIPS

1

Paper Covered Round & Rectangular Wires, Bunched Wires



2

Enamel and Fiber Covered Round & Rectangular Wire



(B) ALL TYPES OF ALUMINIUM WINDING WIRES AND STRIPS

1

Paper Covered Round & Rectangular Wires



2

Enamel Covered Round & Rectangular Wires



3

Fiber Covered Round & Rectangular Wires



4

Wires



Products Portfolio



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(C) RODS, WIRES & TUBES OF BRASS

1

Rods & Profiles of Brass



2

Brass wire



3

Brass Tubes



(D) RODS, WIRES & TUBES OF COPPER



Subsidiaries Details

RAJPUTANA INDUSTRIES LIMITED

- Rajputana Industries Ltd. is in the business of recycling.
- The backward integration enable Shera Energy to has assured source of copper for manufacturing and the same time safeguards the Company from copper price volatility.
- The Company has Installed capacity of 9860 MTPA.

Holding in subsidiary

69.47%

SHERA METAL PRIVATE LIMITED

- Shera Metal Private Limited in manufacturing of bus bar, round, flats, Tube of Copper, Aluminium and Brass
- Installed Capacity 9270 MTPA.

Holding in subsidiary

73.20%

SHERA INFRAPOWER PRIVATE LIMITED

- Shera Infrapower Private Limited having Industrial Land 30,041Sq. Mt.

Holding in subsidiary

100%

State Of The Art Manufacturing Facilities



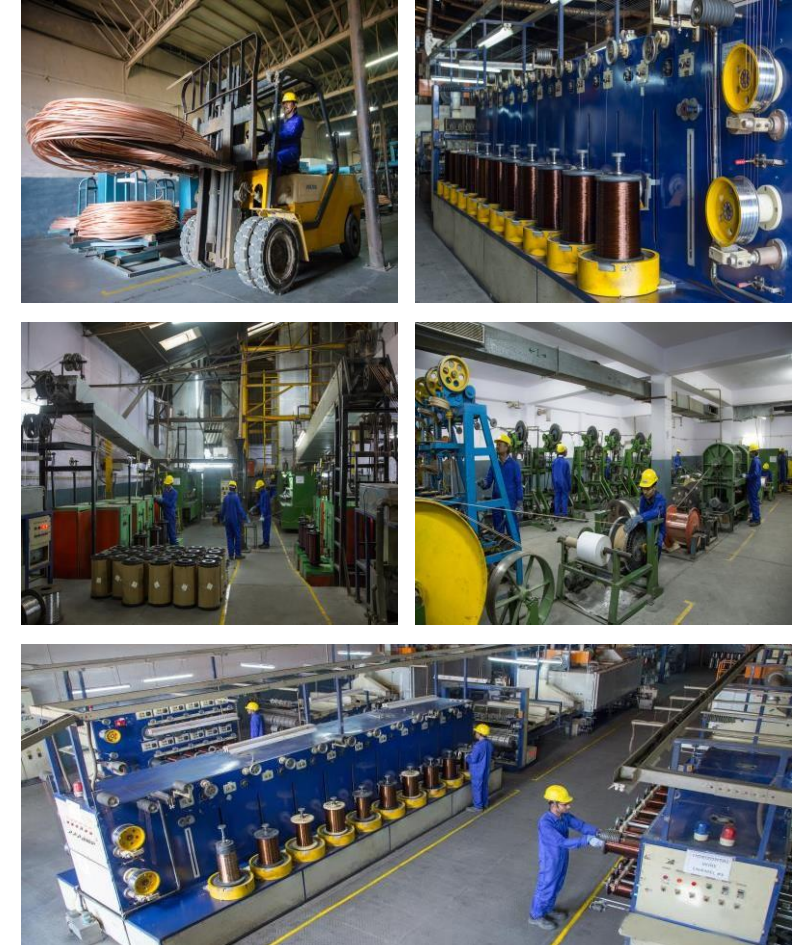
RAJPUTANA INDUSTRIES LTD



SHERA METAL PRIVATE LTD



SHERA ENERGY LTD



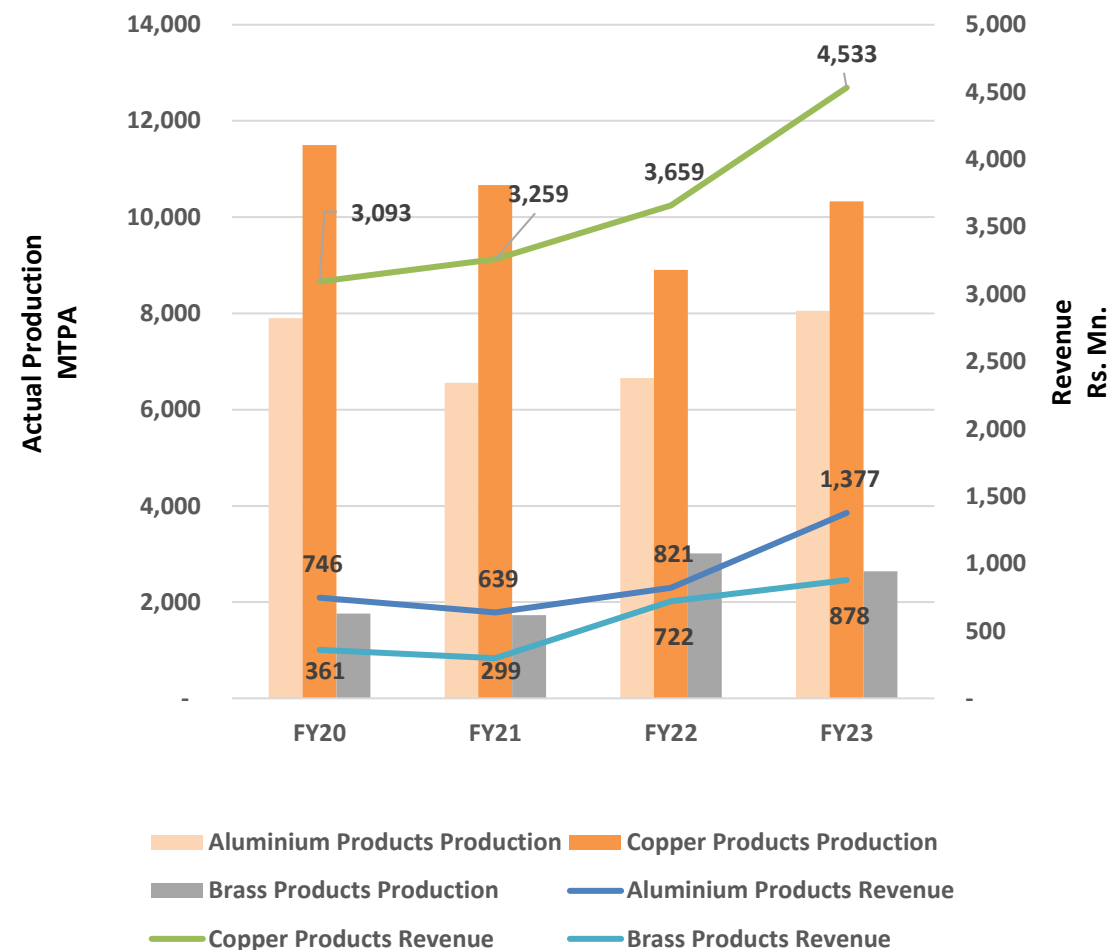
Capacity & Utilization - Consolidated

PRODUCT	UNIT	INSTALLED CAPACITY	FY20		FY21		FY22	
			ACTUAL PRODN	UTIL (%)	ACTUAL PRODN	UTIL (%)	ACTUAL PRODN	UTIL (%)
Aluminium Winding Wire Strips , Ingots , Rods, Bus bar, and Tubes	MTPA	11,400	7,900	69.3	6,556	57.5	6,659	58.4
Copper Winding Wire, Strips , Ingots , Rods, Bus bar, and Tubes	MTPA	17,060	11,498	67.4	10,666	62.5	8,902	52.2
Brass Bus bar, Sections, Tubes, Ingots and Rods	MTPA	6,000	1,767	29.4	1,730	28.8	3,011	50.2
All types of Tubes and flats of alloys	MTPA	270	34	12.5	0	0.0	11	4.1
Total	MTPA	34,730	21,198	61.0	18,952	54.6	18,584	53.5

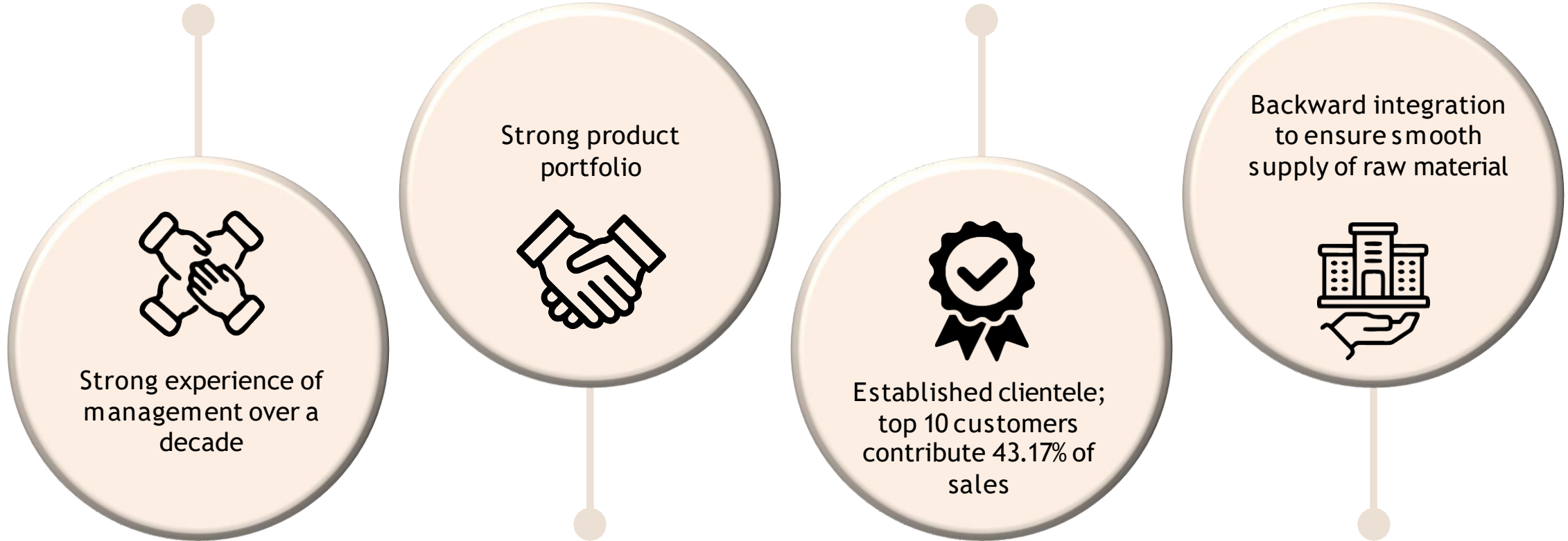
PRODUCT	UNIT	INSTALLED CAPACITY	FY23	
			ACTUAL PRODN	UTIL (%)
Aluminium Winding Wire Strips , Ingots , Rods, Bus bar, and Tubes	MTPA	11,400	8,056	70.7
Copper Winding Wire, Strips , Ingots , Rods, Bus bar, and Tubes	MTPA	16,350	10,330	63.2
Brass Bus bar, Sections, Tubes, Ingots and Rods	MTPA	6,000	2,644	44.1
All types of Tubes and flats of alloys	MTPA	980	241	24.6
Total	MTPA	34,730	21,271	61.2

Product wise Revenue & Actual Production

PRODUCT		FY20	FY21	FY22	FY23
Aluminium Products	Revenue (Rs. Mn)	746	639	821	1,377
	Actual Production (MTPA)	7,900	6,556	6,659	8,056
Copper Products	Revenue (Rs. Mn)	3,093	3,259	3,659	4,533
	Actual Production (MTPA)	11,498	10,666	8,902	10,330
Brass Products	Revenue (Rs. Mn)	361	299	722	878
	Actual Production (MTPA)	1,767	1,730	3,011	2,644
All types of Tubes and flats of alloys	Revenue (Rs. Mn)	11	-	4	90
	Actual Production (MTPA)	34	-	11	241



Competitive Strength



Business Strategies



Expanding our customer base



Focus on increasing operational efficiencies to improve returns



Invest in infrastructure and technology



Enhancing existing products base and product quality



Focus on quality



Focus on backward and forward integration



Highly Focus On Sustainable Environment

Shera Energy - Shera Energy understands its responsibility towards sustainable energy and ensured maximum consideration of the environment by implementing various assets to conserve resources. Steps taken by the company

1. Non Ferrous Metals recycling

- Rajputana Industries recycles non ferrous metals scrap into fine non ferrous metals and then into wires. Recycling non ferrous metals is a highly eco-efficient way of reintroducing a valuable material back into the economy. The recycling of non ferrous metals requires less energy than primary production and reduces CO2 emissions.
- In addition to its environmental benefits, the recycling of non ferrous metals scrap, such as electronic waste, drives the recovery of many other metals such as gold, silver, nickel, tin, lead and zinc.
- Non Ferrous Metals recycling contributes to a progressive move toward a more circular economy.
- The current capacity of Rajputana Industries is 720 MT per month.

2. Rain water harvesting implementation.

- 3. Big green area in the premises to naturally feed the ground water level thereby keeping a fresh and healthy atmosphere.



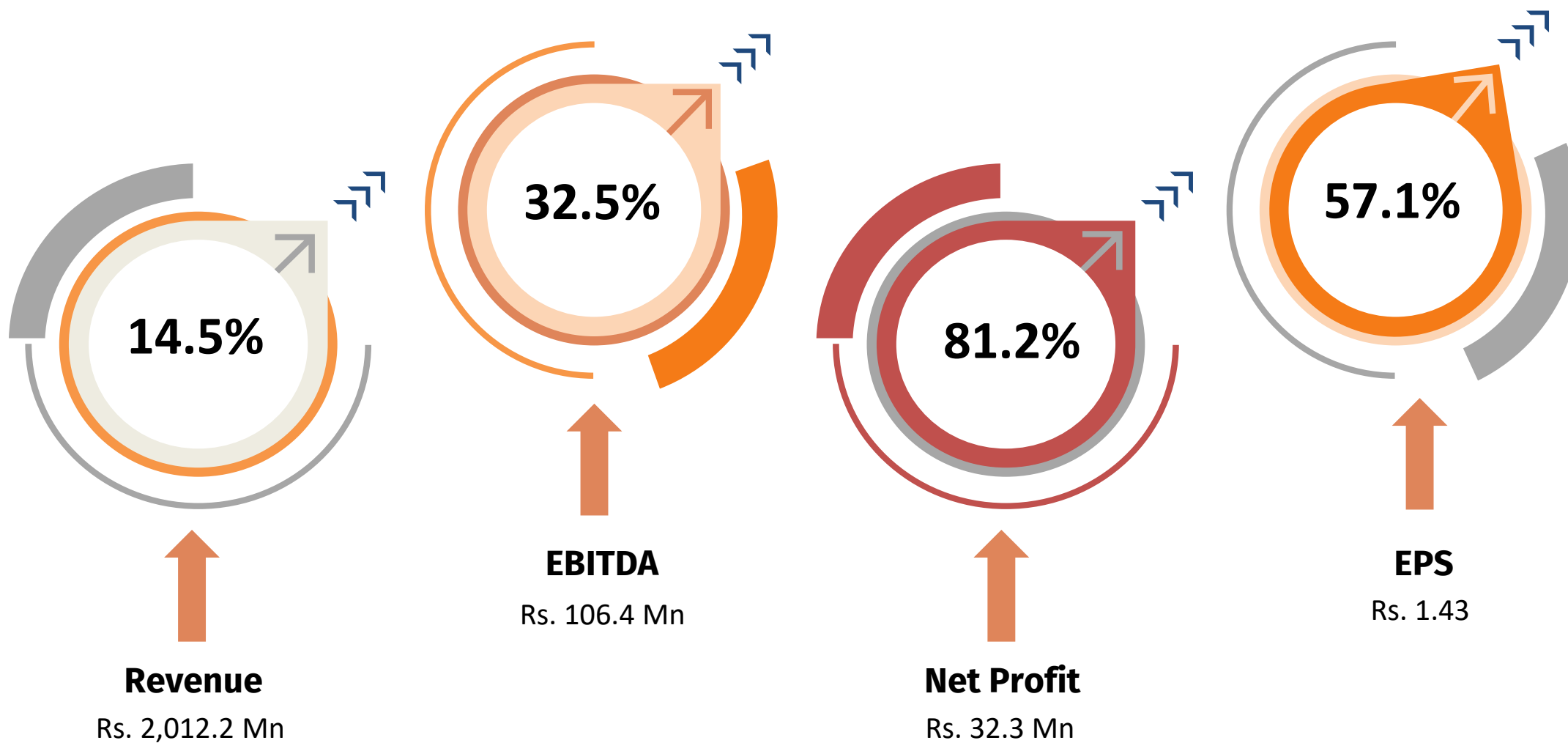


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Quarterly Financial Highlights

Financial Highlights - Q1FY24 (Consolidated)



Financial Summary - Q1FY24 (Consolidated)

Particulars (INR Mn)	Q1FY24	Q4FY23	Q1FY23	YoY%	FY23	FY22	YoY%
Revenue from Operations	2,012.2	2,070.0	1,758.1	14.5	6,963.9	5,238.2	32.9
Materials Consumed	1,802.9	1,827.6	1,611.6	11.9	6264.1	4665.9	34.3
Employee Expenses	25.5	28.6	18.5	38.1	91.9	68.0	35.2
Other Expenses	77.5	64.5	47.8	62.1	221.6	168.7	31.7
Total Expenditure	1,905.9	1,920.7	1,677.8	13.6	6,577.6	4,902.1	34.2
EBITDA	106.4	149.3	80.3	32.5	386.3	335.7	14.9
Other Income	4.3	1.4	7.9	-46.0	13.5	7.6	78.0
Depreciation	12.6	12.4	12.3	2.5	49.5	48.3	2.5
Profit Before Interest & Tax	98.0	138.3	75.9	29.1	350.3	295.0	18.6
Interest	53.5	103.1	49.9	7.2	224.9	198.8	13.1
Profit Before Tax	44.5	35.1	26.0	71.2	125.4	96.2	29.8
Tax	12.2	9.4	8.2	49.3	34.3	30.05	28.8
Profit After Tax	32.3	25.7	17.8	81.2	91.1	66.2	30.2
Earnings Per Share (Rs)	1.43	1.19	0.91	57.1	4.46	3.32	34.3
Gross Margin (%)	10.40	11.71	8.34	207 bps	10.0	10.9	-88 bps
EBITDA Margin (%)	5.29	7.21	4.57	72 bps	5.5	6.4	-86 bps
PAT Margin (%)	1.60	1.24	1.01	59 bps	1.3	1.3	4.4 bps

Quarterly Production - Consolidated

PRODUCT	UNIT	INSTALLED CAPACITY (Avg Quarterly)	Q1FY24		Q4FY23		Q1FY23	
			ACTUAL PRODN	UTIL (%)	ACTUAL PRODN	UTIL (%)	ACTUAL PRODN	UTIL (%)
Aluminium Winding Wire Strips , Ingots , Rods, Bus bar, and Tubes	MTPQ	2,850	2,223	78.0%	2,189	76.8%	1,445	50.7%
Copper Winding Wire, Strips , Ingots , Rods, Bus bar, and Tubes	MTPQ	4,088	2,539	62.1%	2,786	68.1%	2,698	66.0%
Brass Bus bar, Sections, Tubes, Ingots and Rods	MTPQ	1,500	997	66.4%	904	60.3%	409	27.3%
All types of Tubes and flats of alloys	MTPQ	245	83	33.8%	85	34.7%	26	10.6%
Total	MTPQ	8,683	5,841	67.3%	5,964	68.7%	4,578	52.7%



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Way Forward



Way Forward

Increase Share of Value Added Products

Revenue Share of value added products to increase from 25% to 50% led by increase in demand for

- ❑ Copper Alloys
- ❑ Aluminium Alloys

Import Substitution

Developing Alloys for

- ❑ Brass Valve Connectors for Airconditioning - Earlier imported from Thailand
- ❑ Internally grooved tubes for Refrigeration - a high demand product - being imported from China
- ❑ Margins on products of Import substitution are generally higher

Business Growth

Sustained business growth from core sectors like Winding Wires as the government is promoting manufacture of higher and efficient utilities which would lead to higher quantity of winding wires required



Sourcing Expansion

- ❑ Source scrap from other markets outside of India such as Africa.
- ❑ To have own scrapyards for storing Copper & Aluminum scrap in future.

Capacity Utilization

Increased capacity utilization from 60% to 90% primarily due to increase in alloy production from 250 tons/month to 1000 tons/month over the next few years



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Industry Overview



Industry Overview



The sector is highly unorganized with many small scale industries with fragmented capacity.

Winding wires are extensively used in the electrical and electronic equipment's comprising of Motors, Transformers, Pumpset Switchgears, Fans, Hand Tools, Domestic Appliances, etc.

Globally, the winding wire market share is expected to increase to USD 12.08 billion from 2021 to 2026 at a CAGR of 5.04%

Global Aluminium Alloy Market is estimated to reach USD 215.86 Bn by 2028, growing at a CAGR of 9.04%.

Economic growth, material substitution, and sustainability considerations including increased environmental awareness around polyethylene terephthalate (PET) plastics continue to support long-term increasing global demand for Aluminium and rolled products

The per capita copper consumption in India is expected to increase from the current level of 0.6 Kg to 1 kg in coming years. If India's per capita copper consumption (0.6 Kg) moves towards the per capita copper consumption levels in the rest of the world (3.2 Kg), India's copper market has the potential for significant growth

Copper is essential to EV technology and its supporting infrastructure, and the projected demand for copper due to electric vehicles is expected to increase by 1.7 million tonnes by 2027.



KEY WINDING WIRE MARKET DRIVERS

The expansion of power generation and T&D network.

The generation of electricity is increasing at a rapid pace in countries

The electric generators used in hydroelectric, thermal, and wind power plants require large quantities of winding wires.

Winding wires are used in inverters that are placed in solar power plants to convert DC into AC and transform it into the correct primary voltage.



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Annual Financial Highlights

Annual Income Statement (Consolidated)



Particulars (INR Mn)	FY20	FY21	FY22	FY23
Revenue from Operations	4253.3	4219.7	5,238.2	6,963.9
Materials Consumed	3720.1	3700.2	4665.9	6264.1
Employee Expenses	80.4	56.7	68.0	91.9
Other Expenses	160.6	136.5	168.3	221.6
Total Expenditure	3961.0	3893.4	4,902.1	6,577.6
EBITDA	292.2	326.4	336.1	386.3
Other Income	8.6	7.5	7.6	13.5
Depreciation	44.0	49.2	48.3	49.5
Profit Before Interest & Tax	256.9	284.6	295.4	350.3
Interest	202.4	213.6	198.8	224.9
Profit Before Tax	54.4	71.0	96.6	125.4
Tax	18.3	20.8	26.7	34.3
Profit After Tax	36.1	50.3	69.9	91.1
Earnings Per Share (Rs)	1.90	2.50	3.32	4.46
Gross Margin (%)	12.5	12.3	10.9	10.0
EBITDA Margin (%)	6.9	7.7	6.4	5.5
PAT Margin (%)	0.8	1.2	1.3	1.3

Annual Balance Sheet (Consolidated)



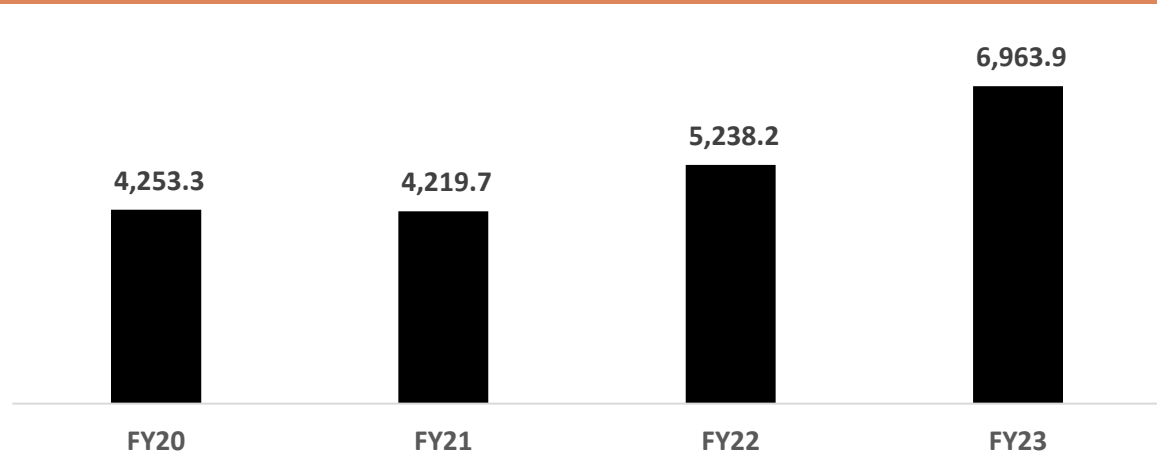
Amount in INR Mn

Equities & Liabilities	FY20	FY21	FY22	FY23
Equity	199.4	199.4	199.4	227.9
Reserves	366.7	411.3	468.3	663.5
Net Worth	566.1	610.7	667.7	891.4
Minority Interest	82.1	88.5	98.3	185.2
Liabilities				
Non-current Liabilities				
Long-term borrowing	408.1	431.1	435.7	414.9
Long-term Leas Liabilities	10.6	7.3	3.7	
Long term Financial Liabilities	19.1	14.1		
Deferred tax Liabilities	38.7	45.5	55.6	67.2
Long-term provision	2.2	2.6	1.3	4.3
Total Non Current Liabilities	478.7	500.6	496.2	486.3
Current Liabilities				
Short-term borrowings	698.2	623.1	745.5	712.5
Short-term lease Liabilities	3.0	3.3	3.6	3.7
Trade payables	907.6	1089.0	1206.7	1427.2
Other current liabilities	34.8	12.7	28.0	30.4
Current Tax Liabilities		7.5		2.9
Short-term provision	8.5	4.3	7.0	10.2
Total Current Liabilities	1652.0	1739.9	1990.9	2186.8
Total Liabilities	2778.9	2939.8	3253.1	3749.7

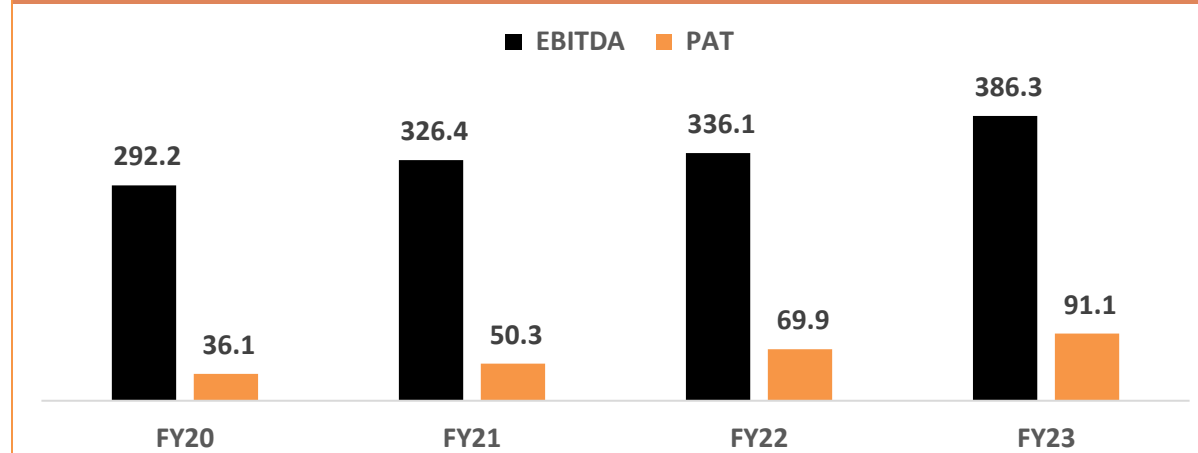
Assets	FY20	FY21	FY22	FY23
Non Current Assets				
Property plant & Equipment	852.9	817.3	807.5	822.2
Right to use Assets	10.8	8.0	5.3	2.5
Intangible Assets	11.8	11.7	11.7	11.7
Capital Work-in-progress	20.0	38.7	26.6	21.3
Non-current investments	2.5	2.5	-	-
Other Non-Current Financial Assets	18.5	16.0	12.8	13.5
Other Non-Current Assets	-	-	-	-
Total Non Current Assets	916.4	894.2	863.8	871.2
Current Assets				
Inventories	679.7	1012.9	1379.2	1601.2
Trade receivables	936.9	770.0	715.2	945.8
Cash & Bank Balance	120.3	123.8	129.9	135.6
Loans	2.3	3.2	3.9	13.3
Other Current Financial Assets	7.5	10.7	10.4	15.3
Current Tax Assets (Net)	10.8	5.3	4.9	5.3
Other current assets	105.0	119.7	145.7	162.1
Total Current Assets	1862.5	2045.6	2389.3	2878.5
Total Assets	2778.9	2939.8	3253.1	3749.7

Annual Financial Highlights

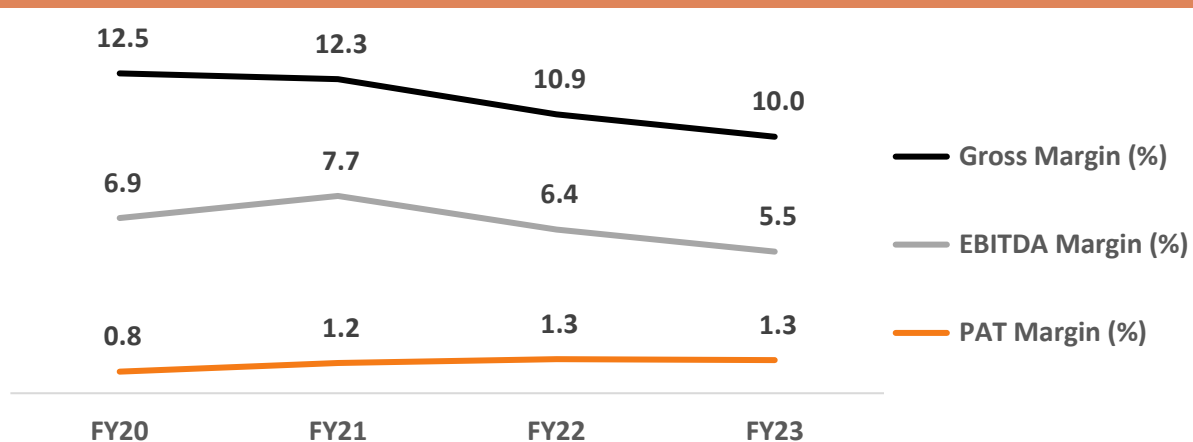
Revenue from Operations (INR Mn)



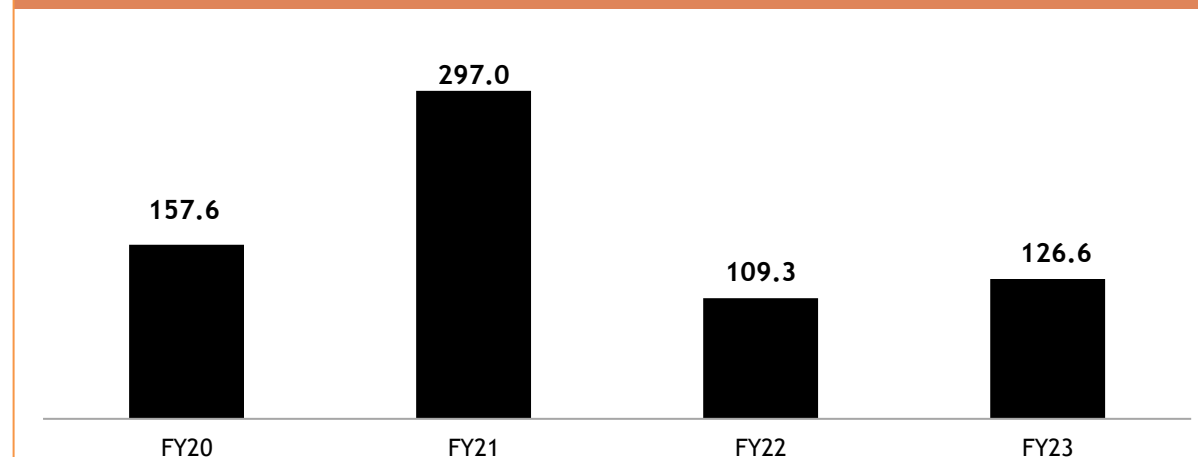
Profitability (INR Mn)



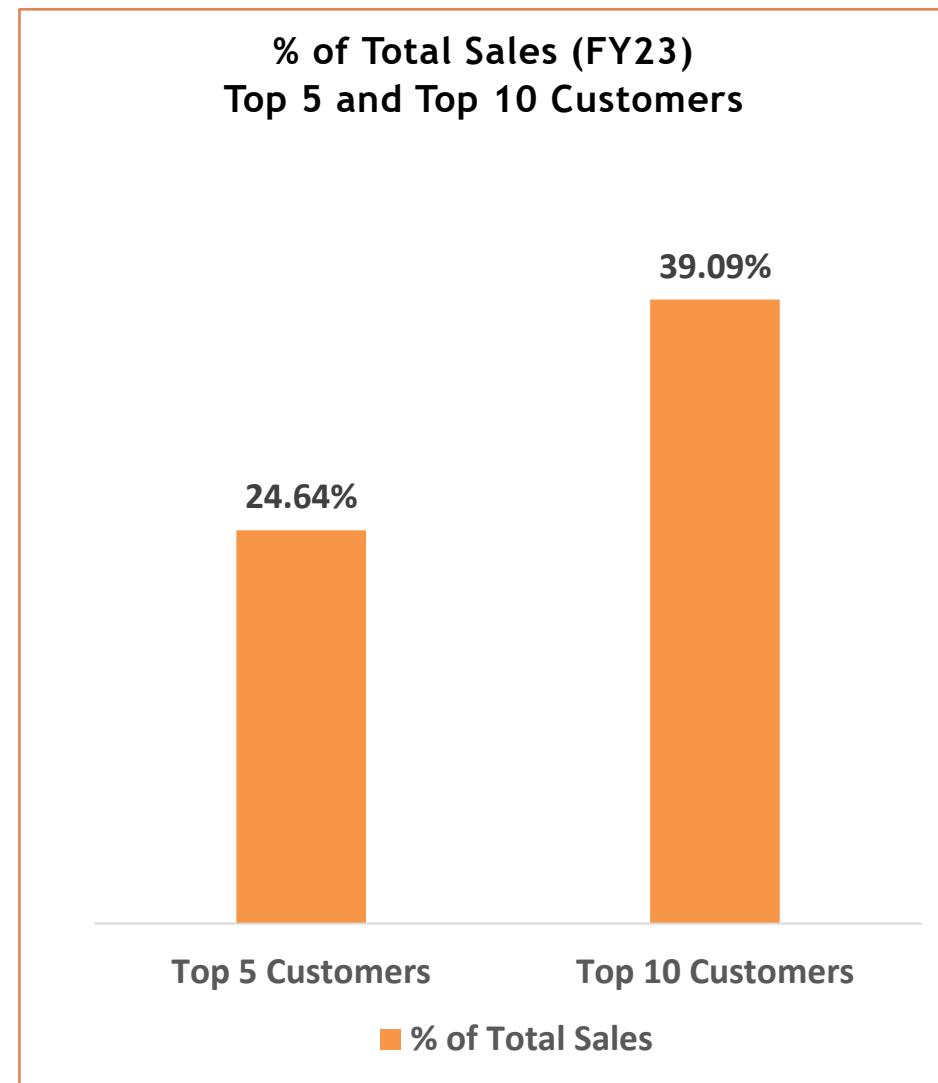
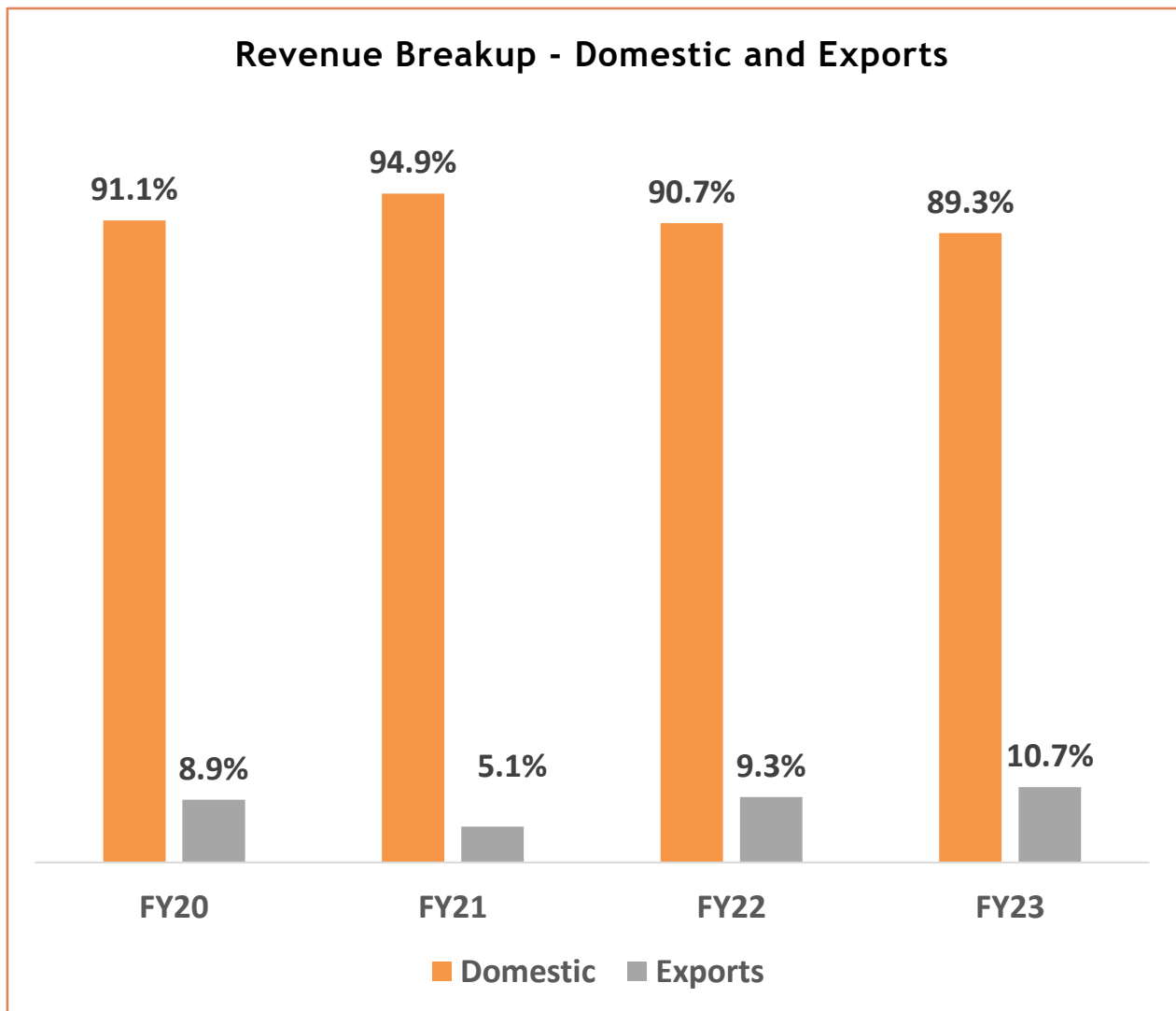
Margins



Operating Cash Flow (INR Mn)

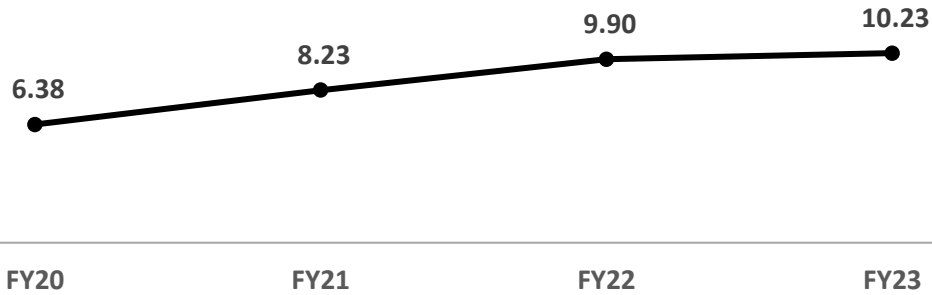


Revenue Breakup Domestic And Export

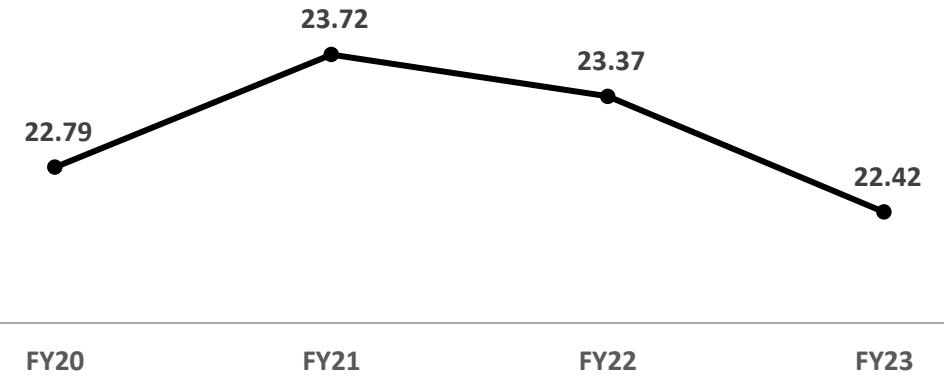


Key Financial Ratios (1/2)

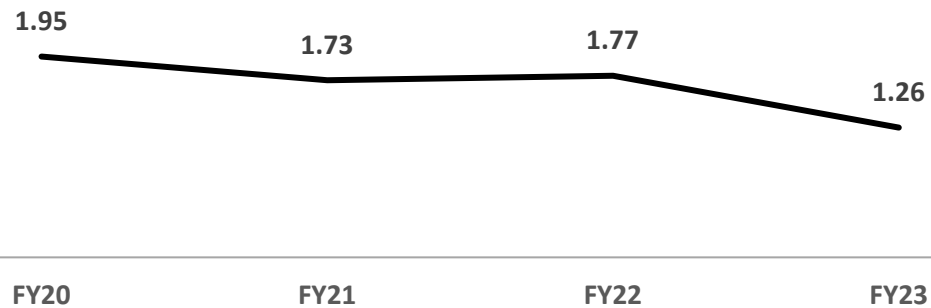
ROE (%)



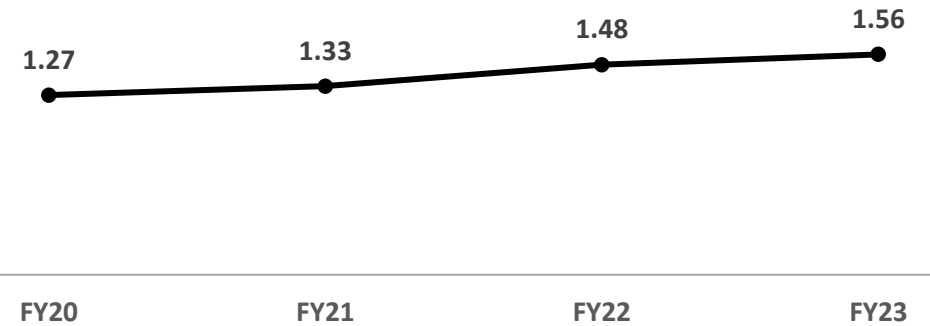
ROCE (%)



Debt to Equity Ratio (x)

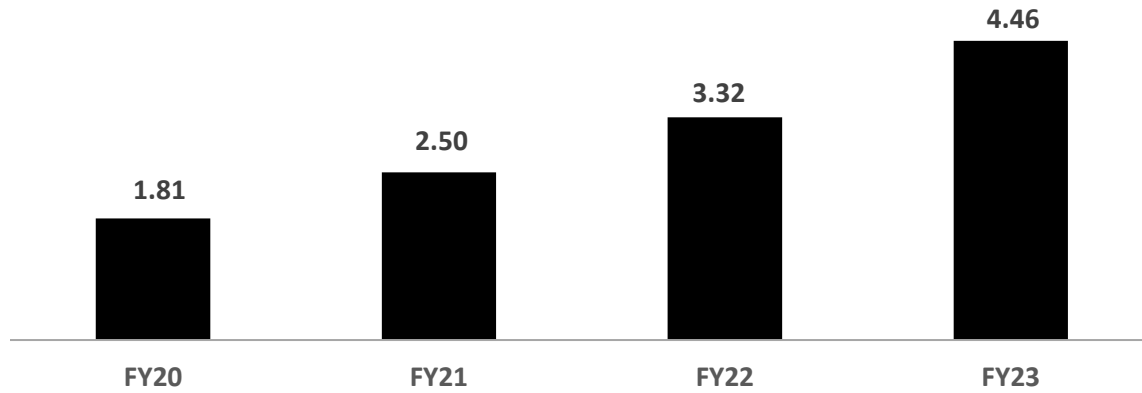


Interest coverage ratio (x)

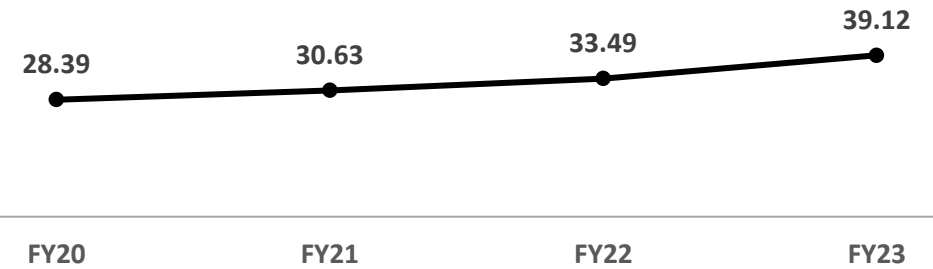


Key Financial Ratios (2/2)

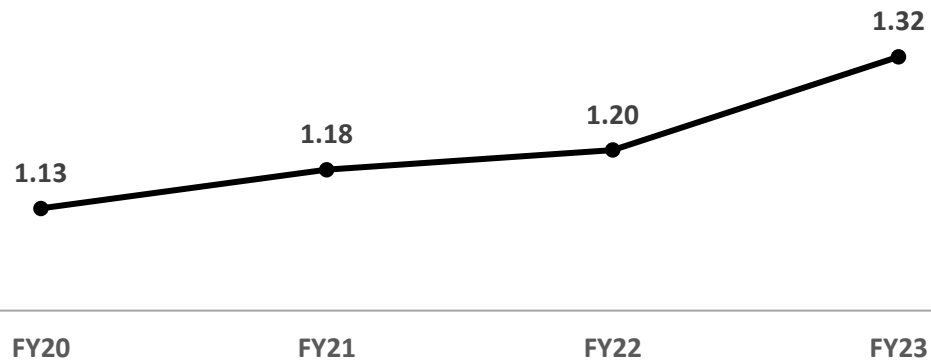
Earnings Per Share (INR)



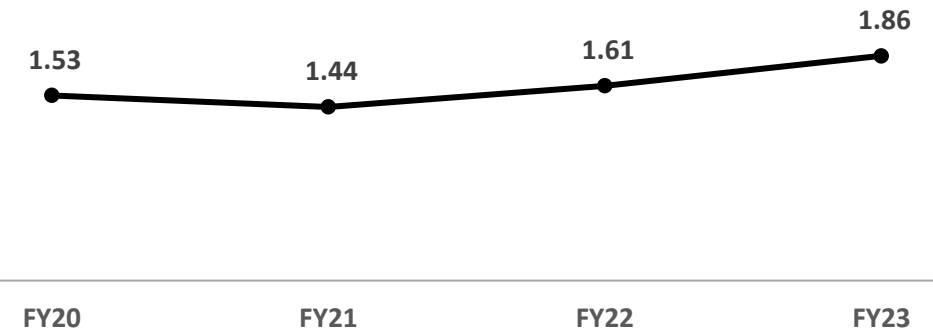
Book Value Per Share (INR)



Current Ratio (x)



Asset Turnover (x)

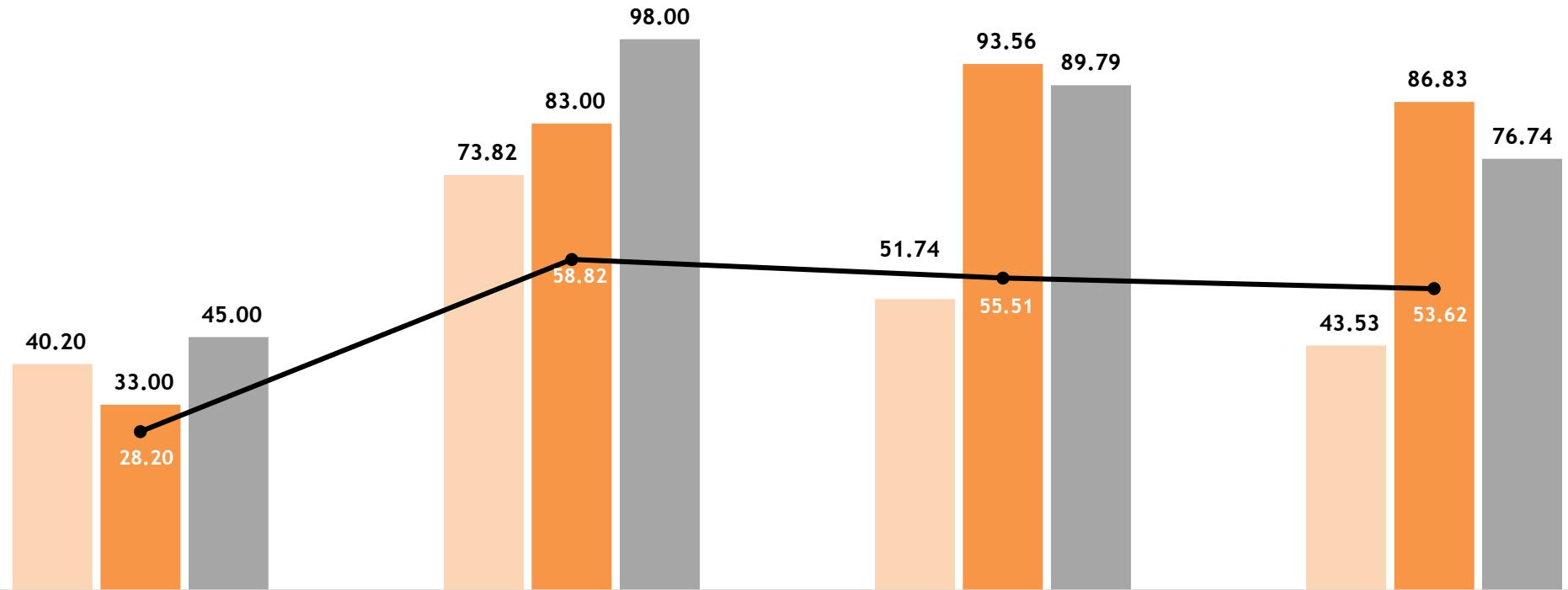


Healthy Working Capital Cycle



SHERA

(In Days)



	FY20	FY21	FY22	FY23
Debtor Days	40.20	73.82	51.74	43.53
Inventory Days	33.00	83.00	93.56	86.83
Bills Payable	45.00	98.00	89.79	76.74
Net Working Capital Days	28.20	58.82	55.51	53.62

Thank You



SHERA

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